

Message Text

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ACTION COME-00

INFO OCT-01 AF-06 ISO-00 EB-07 AID-05 OPIC-03 TRSE-00 /022 W

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R 231620Z FEB 76

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC 3474

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E.O. 11652: N/A

TAGS: EINV, EFIN, ETRD, ELEC, BENC, NI

SUBJECT: NEPA SUBSTATION PROJECT NO. MC3632

REF: STATE 18769 AND PREVIOUS

1. MCGRAW-EDISON LOCAL AGENT, AMERICAN NAMED RUSS BELLEW OPERATING AS NIGERIAN GENERAL TECHNICAL CO. LTD., VISITED EMBASSY FEB. 23 CONCERNED, AS WAS WESTINGHOUSE, WITH NEPA'S REFUSAL TO PAY FOR SUBJECT PROJECT WITH LETTER OF CREDIT. HE SAID PROJECT IS STILL OPEN, BID DUE DATE HAVING BEEN EXTENDED TO MARCH 3.

2. WITHOUT IDENTIFYING WESTINGHOUSE, EMBASSY ACQUAINTED BELLEW WITH OPIC CONSTRUCTION INSURANCE AND OPIC'S VIEWS THIS PROJECT AS GIVEN REFTTEL. ON ADVICE OF AN EXIMBANK EMPLOYEE STRANDED HERE WHILE AIRPORT CLOSED, BELLEW ALSO ADVISED TO INVESTIGATE FCIA RPT FCIA STANDARD POLITICAL AND COMMERCIAL POLICIES WITH NON-ACCEPTANCE ENDORSEMENT. THESE SEEM TO OFFER OPIC REIMBURSEMENT TO SELLER WITHIN 180 DAYS IN EVENT DEFAULT OR NON-ACCEPTANCE OF EQUIPMENT WITH FEWER CONDITIONS THAN OPIC CONSTRUCTION INSURANCE. BELLEW MAY ADVISE MCGRAW-EDISON INVESTIGATE BOTH OPIC AND FCIA PROGRAMS.

3. BELLEW SAID BID DUE DATE EXTENDED ONCE DUE CHANGE IN TENDER SPECIFICATION AND AGAIN DUE TRAVEL DISRUPTION FOLLOWING FEB. 13 COUP ATTEMPT. HE ALSO LEARNED FROM NEPA THAT ONLY 13 FIRMS HAVE BID SO FAR, CONTRARY INDICATION FROM NEPA'S WADDELL (LAGOS 12581 DEC. 19) THAT 24 FIRMS INTERESTED. BELLEW ALSO UNDERSTANDS THAT

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BROWN BOVERI MAKING STRENUOUS EFFORTS PERSUADE NEPA USE LETTER OF

CREDIT. IMPLICATION BELLEW STATEMENTS IS THAT NEPA POLICY
AGAINST LETTER OF CREDIT NOT RPT NOT AS READILY ACCEPTED BY
INDUSTRY AS WADDELL INDICATED
TWO MONTHS AGO. BIDDERS KNOWN TO BELLEW, HOWEVER,
INCLUDE BIG NAMES SUCH AS BROWN BOVERI, GEC, TRANSFORMER UNION
(SIEMENS), MITSUBISHI AND WESTINGHOUSE BELGIUM.

4. GENERAL ELECTRIC REP SAYS GE NOT RPT NOT BIDDING THIS PROJECT
DUE LACK OF CAPACITY AT THIS TIME, NOT RPT NOT BIDDING DUE NEPA
DISCONTINUANCE OF LETTER OF CREDIT.

5. ACTION REQUESTED: FCIA INSURANCE SOUNDS ATTRACTIVE IN THIS
SITUATION. FOR FUTURE REFERENCE WOULD APPRECIATE MORE DETAILS
FCIA PROGRAM.
EASUM

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Message Attributes

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Disposition Authority: morefirh
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